

117 - O.C. HOUSING AUTHORITY - OPERATING RESERVES

Operational Summary

Description:

To work in partnership with and advocate for Orange County's diverse communities, improve lives by supporting and providing needed community services, strengthen economic viability, and preserve and expand affordable housing opportunities; thereby enhancing the quality of life for our community.

Strategic Goals:

- Increase and preserve affordable housing opportunities, especially for those most in need.

FY 2006-07 Key Project Accomplishments:

- The Housing Assistance Division at HCS provided monthly rental assistance to more than 10,000 households during each month of Fiscal Year 05-06. New federal funding limitations required HCS to reduce its lease-up levels in the Section 8 Housing Choice Voucher Program. This insured that program resources benefiting the Section 8 Rental Assistance clients were fully utilized within federal funding constraints.
- Construction was completed on two affordable rental housing development projects (Heritage Place at Tustin and Laguna Canyon), which are funded with Housing Authority Operating funds. These two projects will provide a total of 174 new affordable housing rental units for Orange County residents.
- HCS received approval from the HCD Commission for the use of \$400,000 in HSS funding for support of up to eight non profit organizations which provide housing and shelter services to the County at-risk population.

O.C. Housing Authority/Oper Reserve - Operating Reserve funds may be used only for the cost of ongoing administration of Housing and Community Services' (HCS) current Section 8 rental assistance program or for other housing related purposes consistent with state and local law, including the development of affordable housing as approved by the Board.

At a Glance:

Total FY 2006-2007 Projected Expend + Encumb:	4,592,048
Total Recommended FY 2007-2008	1,765,771
Percent of County General Fund:	N/A
Total Employees:	0.00

Budget Summary

Plan for Support of the County's Strategic Priorities:

Affordable housing development continues to be one of the Board of Supervisors' Top 10 Strategic Priorities. Currently, HCS has committed \$30 million to affordable housing projects within Orange County. The Department will continue to solicit affordable housing projects through Request

for Proposal (RFP) and the Notice of Funding Availability (NOFA) processes. The goal of the RFP and NOFA is to promote the development of permanent affordable rental housing for Orange County's very-low and low-income households.

Changes Included in the Recommended Base Budget:

The FY 07-08 budget reflects a \$3.9 million decrease from the adopted FY 06-07 budget. This is due to completion of two affordable housing projects totaling \$1.8 million which are no longer included in the budget and the elimination of over \$2 million of future year costs that will not be realized in FY 07-08. Fund 117 will continue to provide money for Housing Supportive Service contracts, Super NOFA Homeless Assistance application planning activities, and affordable housing monitoring responsibilities.

Proposed Budget History:

Sources and Uses	FY 2005-2006	FY 2006-2007	FY 2006-2007	FY 2007-2008	Change from FY 2006-2007	
	Actual	Budget As of 3/31/07	Projected ⁽¹⁾ At 6/30/07		Projected Amount	Percent
Total Revenues	9,712,616	5,278,653	5,491,352	1,765,771	(3,725,581)	-67.84
Total Requirements	4,879,108	5,278,653	4,631,138	1,765,771	(2,865,367)	-61.87
Balance	4,833,507	0	860,214	0	(860,214)	-100.00

(1) Requirements include prior year encumbrance and expenditures. Therefore, the above totals may not match FY 2006-07 projected requirements included in "At a Glance" (Which exclude these).

Columns may not total correctly due to rounding.

Detailed budget by expense category and by activity is presented for agency: O.C. Housing Authority - Operating Reserves in the Appendix on page A597

Highlights of Key Trends:

- In 2004, HUD changed its funding allocation method which supports the operating costs of the Section 8 Housing Assistance Program. Consequently, certain Housing Assistance operating costs are funded with

Fund 117 monies. These operating expenses include: fraud investigation, overtime, field vehicle replacements, portions of the Family Self Sufficiency program, and potential operating deficits.

117 - O.C. Housing Authority - Operating Reserves

Summary of Proposed Budget by Revenue and Expense Category:

Revenues/Appropriations	FY 2005-2006	FY 2006-2007	FY 2006-2007	FY 2007-2008	Change from FY 2006-2007	
	Actual	Budget As of 3/31/07	Projected ⁽¹⁾ At 6/30/07	Recommended	Projected Amount	Percent
Revenue from Use of Money and Property	\$ 767,225	\$ 240,000	\$ 580,637	\$ 720,000	\$ 139,363	24.00%
Miscellaneous Revenues	47,233	205,146	38,118	185,557	147,439	386.80
Total FBA	8,521,451	4,833,507	4,833,507	860,214	(3,973,293)	-82.20
Reserves	411,281	0	0	0	0	0.00
Reserve For Encumbrances	(34,575)	0	39,090	0	(39,090)	-100.00
Total Revenues	9,712,616	5,278,653	5,491,352	1,765,771	(3,725,581)	-67.84
Services & Supplies	714,032	3,143,653	2,507,592	1,430,771	(1,076,821)	-42.94
Other Charges	440,969	1,800,000	1,823,545	0	(1,823,545)	-100.00
Fixed Assets	0	35,000	0	35,000	35,000	0.00
Other Financing Uses	586,413	300,000	300,000	300,000	0	0.00
Reserves	3,137,694	0	0	0	0	0.00
Total Requirements	4,879,108	5,278,653	4,631,138	1,765,771	(2,865,367)	-61.87
Balance	\$ 4,833,507	\$ 0	\$ 860,214	\$ 0	\$ (860,214)	-100.00%

(1) Requirements include prior year encumbrance and expenditures. Therefore, the above totals may not match FY 2006-07 projected requirements included in "At a Glance" (Which exclude these).

Columns may not total correctly due to rounding.